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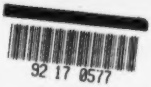

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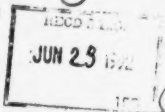
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C.



FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 1991 Commission File No.: 0-2661

Harrell International, Inc.
(Exact name of registrant as specified in its charter)

Delaware	13-1946181
(State of jurisdiction)	(I.R.S. Employer Identification No.)

17218 Preston Road, Suite 425, Dallas, TX 75252
(Address of principal executive offices)

(214) 250-6370
(Registrant's telephone no., including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes X No ____
(2) Yes X No ____

The number of shares outstanding of the registrant's Class A, $.01 par value common stock as of July 31, 1991, was 485,380 (as adjusted to give effect to the Restructuring Agreement dated December 23, 1991 - see Subsequent Events discussion in the registrant's From 10-K report for the fiscal year ended September 30, 1990, which is incorporated herein by this reference).

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JUN 30 1992
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HARRELL INTERNATIONAL, INC.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

HARRELL INTERNATIONAL, INC.
CONDENSED BALANCE SHEETS

	June 30, 1991 (Unaudited)	September 30, 1990 (Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 242	$ 46,538
Prepaid expenses and other	-	2,181
Total current assets	242	48,719
Furniture and equipment, at cost less accumulated depreciation	1,215	1,693
Total	$ 1,457	$ 50,412
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued liabilities	$ 34,824	$ 12,145
Stockholders' Equity:		
Common stock:		
Class A $.01 par value, 9,000,000 shares authorized, 485,380 issued and outstanding	4,854	4,854
Class B $.01 par value, 1,000,000 shares authorized	-	-
Additional paid-in capital	1,929,540	1,929,540
Deficit	(1,976,761)	(1,896,127)
Total stockholders' equity (deficit)	(33,367)	38,267
Total	$ 1,457	$ 50,412

HARRELL INTERNATIONAL, INC.
CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30		Nine Months Ended June 30	
	1991	1990	1991	1990
Revenues:				
Interest income	$ -	$ 38,180	$ 180	$ 69,114
Other income	-	-	11,600	-
	-	-	11,780	-
General and administrative expenses	5,999	87,681	83,414	237,839
Income (loss) before income taxes	(5,999)	(49,501)	(71,634)	(168,725)
Provision for income taxes	-	-	-	-
Net income (loss)	$ (5,999)	$(49,501)	$(71,634)	$(168,725)
Net income (loss) per share	$ (.01)	$ (.11)	$ (.15)	$ (.39)
Weighted average shares outstanding	485,380	435,380	485,380	435,380

HARRELL INTERNATIONAL, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended June 30	
	1991	1990
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (71,634)	$ (168,725)
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on disposal of furniture and equipment	478	-
Depreciation	-	2,678
Decrease in prepaid expenses	2,181	-
Increase (decrease) in accounts payables and accrued expenses	22,679	7,860
Net cash used in operating activities	(46,296)	(158,187)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments received on notes receivable	-	1,815,353
Decrease (increase) in other receivables	-	145,489
Net cash provided by investing activities	-	1,960,842
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	-	(870,760)
Reduction in retirement liability	-	(900,000)
Net cash used in financing activities	-	(1,770,760)
NET INCREASE (DECREASE) IN CASH	(46,296)	31,895
CASH AT BEGINNING OF PERIOD	46,538	565,229
CASH AT END OF PERIOD	$ 242	$ 597,124

HARRELL INTERNATIONAL, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS

1. PRINCIPLES OF DISCLOSURE

The balance sheet as of June 30, 1991, and the related statements of income and cash flows for the three month and nine month periods ended June 30, 1991 and 1990, respectively, are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of such financial statements have been included. Such adjustments consisted only of normal recurring items. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-Q, and do not contain certain information included in the Registrant's annual financial statements and notes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Material Changes in Financial Condition.

As of June 30, 1991, Harrell International, Inc. (the "Company") completed its second full quarter as a joint venture partner of Riviera Investors Corporation, a Texas corporation ("RIC") (this joint venture is referred to as the "Riviera Joint Venture"). RIC contributed $232,000 to the venture's capital. Although the Company contributed no cash to the venture, Clover, Inc., then the Company's controlling shareholder, for good and valuable consideration, assigned to the venture its rights under that certain Contract of Sale dated October 20, 1990, by and between Clover, Inc. and the Estate of James Devereaux Stahlman.

The venture exercised its rights under the Contract of Sale on December 7, 1990, and purchased a 37 unit apartment complex known as Riviera Apartments (the "Riviera Project") located in Dallas, Texas, for a purchase price of $222,000.

Pursuant to the Riviera Joint Venture Agreement, the venture's distributable cash is to be distributed as follows:

(1) The first $32,480 to RIC;
(2) The second $32,480 to the Company;
(3) The balance, 50% to RIC and 50% to the Company.

However, in February, 1991, the Company sold 10% of its voting and profits interest in the venture to RIC for $11,600, thus reducing the Company's above-stated distributable interest from 50% to 40%.

While RIC and the Company share equally the venture's management, the Company supervises its day-to-day operations. The Riviera Project is managed by an unrelated third party.

Wilson L. Harrell, a director of the Company, is the president of Riviera Investors Corporation. Mr. Harrell and Arthur Linkletter, also a director of the Company, contributed $51,000 and $58,000, respectively, to RIC's capital and Irvin Atkins, Douglas C. Echols, Mr. Harrell's brother-in-law, and David A. Woodcock, Jr., contributed $58,000, $50,000 and $15,000, respectively. These amounts entitled those persons to the following shares and percentage ownership in RIC:

Wilson L. Harrell	510 shares	21.98%
Arthur G. Linkletter	580 shares	25.00%
Irvin Atkins	580 shares	25.00%
Douglas C. Echols	500 shares	21.55%
David A. Woodcock, Jr.	150 shares	6.47%

In order to induce Messrs. Atkins, Echols and Woodcock to invest in RIC, the Company granted them options to buy one fourth of a share of the Company's common stock for each dollar invested for a purchase price of $1.00 per share. Accordingly, Messrs. Atkins, Echols and Woodcock were issued options to purchase 14,500, 12,500, and 3,750 shares of the Company's common stock, respectively. The options were issued as of December 7, 1990, and expire December 6, 1993.

Results of Operations.

The period ended June 30, 1991, was the second full quarter of the Riviera Joint Venture's operations. However, because the Riviera Joint Venture is the Company's only source of revenue (excepting interest income) and its operations are in their formative stages, total revenue from operations for the three months ended June 30, 1991 was $0. Furthermore, because operations have been significantly reduced, general and administrative expenses for the quarter were only $5,999, producing a net loss of $5,999 for the period ended June 30, 1991.

Part II. OTHER INFORMATION

Item 1. Legal.

There were no material legal proceedings, either on-going, instituted by or against, or otherwise involving the Registrant during the quarter ended June 30, 1991.

Item 2. Change in Securities.

There were no changes in the Registrant's securities during the quarter ended June 30, 1991.

Item 3. Defaults Upon Senior Securities.

The Registrant does not have any outstanding debt or securities of this nature.

Item 4. Submission of Matters to a Vote of Security Holders.

The Registrant did not submit any matters to a vote of the security holders during the quarter ended June 30, 1991.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports.

(a) No events occurred during the quarter ended June 30, 1991, which require the submission of an exhibit.

(b) No reports on Form 8-K were filed by the Registrant for the quarter ended June 30, 1991.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HARRELL INTERNATIONAL, INC.

By: _____
Wilson L. Harrell, President

Dated: June 13 1992

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